

By: Schwertner

S.B. No. 1789

A BILL TO BE ENTITLED

AN ACT

relating to electric service quality and reliability.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 36.402, Utilities Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding Subsection (b), the commission may not authorize an electric utility to receive a return on equity for repaired or replaced damaged infrastructure that the commission determines the utility should have reasonably anticipated could have been damaged by the weather-related event or natural disaster.

SECTION 2. Section 38.005(b), Utilities Code, is amended to read as follows:

(b) The commission may take appropriate enforcement action under this section, including action against a utility, if any of the utility's feeders with 10 or more customers has had a SAIDI or SAIFI average that is more than 200 ~~[300]~~ percent greater than the system average of all feeders during any two-year period~~[beginning in the year 2000]~~⁷. In determining the appropriate enforcement action, the commission shall consider:

- (1) the feeder's operating and maintenance history;
- (2) the cause of each interruption in the feeder's service;
- (3) the duration of each interruption in the feeder's service;

1 (4) any action taken by a utility to address the
2 feeder's performance;

3 (5) [~~(4)~~] the estimated cost and benefit of
4 remediating a feeder's performance; and

5 (6) [~~(5)~~] any other relevant factor as determined by
6 the commission.

7 SECTION 3. Subchapter A, Chapter 38, Utilities Code, is
8 amended by adding Section 38.006 to read as follows:

9 Sec. 38.006. STRUCTURAL INTEGRITY STANDARDS FOR
10 TRANSMISSION AND DISTRIBUTION POLES. (a) This section applies
11 only to an electric utility, municipally owned utility, or electric
12 cooperative that operates transmission or distribution assets.

13 (b) The commission by rule shall adopt standards for the
14 structural integrity of transmission and distribution poles.

15 (c) The standards adopted under this section must:

16 (1) require an electric utility, municipally owned
17 utility, or electric cooperative to inspect transmission and
18 distribution poles and take appropriate remedial action as
19 necessary on a timeline established by the commission;

20 (2) account for geographic differences between
21 regions of the state;

22 (3) consider national guidelines such as the National
23 Electrical Safety Code and guidelines developed by the Rural
24 Utilities Service of the United States Department of Agriculture;
25 and

26 (4) establish a classification system to assess the
27 serviceability of transmission and distribution poles.

1 (d) Each electric utility, municipally owned utility, and
2 electric cooperative shall submit to the commission an annual
3 report on:

4 (1) the implementation of the utility's or
5 cooperative's transmission and distribution pole maintenance
6 schedule;

7 (2) the results of the utility's or cooperative's
8 inspection of transmission and distribution poles, including any
9 remediation or replacement action taken; and

10 (3) any other information the commission requires.

11 SECTION 4. The heading to Subchapter E, Chapter 38,
12 Utilities Code, is amended to read as follows:

13 SUBCHAPTER E. INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE [~~REPORT~~]

14 SECTION 5. Section 38.101(a), Utilities Code, is amended to
15 read as follows:

16 (a) Not later than May 1 of each year, each electric utility
17 shall submit to the commission a report describing the utility's
18 activities related to:

19 (1) identifying areas that are susceptible to damage
20 during severe weather and hardening transmission and distribution
21 facilities in those areas; and

22 (2) vegetation management [~~, and~~

23 [~~(3) inspecting distribution poles~~].

24 SECTION 6. (a) The changes in law made by this Act to
25 Section 38.005, Utilities Code, apply only to an enforcement action
26 initiated by the Public Utility Commission of Texas on or after the
27 effective date of this Act. An enforcement action initiated before

1 the effective date of this Act is governed by the law in effect
2 immediately before the effective date of this Act, and the former
3 law is continued in effect for that purpose.

4 (b) In adopting rules under Section 38.006, Utilities Code,
5 as added by this Act, the Public Utility Commission of Texas shall
6 allow an electric utility, electric cooperative, or municipally
7 owned utility to complete any required inspection, remediation, or
8 replacement of transmission and distribution poles installed
9 before the effective date of the rules according to a reasonable
10 timeline approved by the commission that allows the utility or
11 cooperative to prioritize high-risk transmission and distribution
12 poles.

13 SECTION 7. This Act takes effect September 1, 2025.